

FISCAL NOTE

Bill #: HB0219

Title: County office rent freeze for department of revenue

Primary Sponsor: Brueggeman, J

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	(\$51,174)	(\$62,258)
Net Impact on General Fund Balance:	\$51,174	\$62,258

- | | |
|--|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. For the purposes of this fiscal note, the rate the Department of Revenue pays to rent office space is frozen at \$4.88 per sq ft over the 2005 biennium.
2. The department rents approximately 46,186 square feet of office space throughout the state from local governments.
3. The amount of space the department rents remains constant over the biennium.
4. For the 2005 biennium, the department has budgeted \$5.988 per sq. ft. in rent for FY 2004 and \$6.228 per sq. ft. in rent for FY 2005.
5. It is assumed that local governments will raise their rents to the full amounts budgeted in the department's 2005 budget.
6. If the bill passes, the cost of rent for the department in FY 2004 and FY 2005 will be \$225,388 each year (\$4.88 x 46,186)
7. If the bill does not pass, the amount of rent the department will pay in FY 2004 will be \$276,562 (\$5.988 x 46,186) and \$287,646 (\$6.228 x 46,186) in FY 2005.
8. The savings created by freezing the amount of rent paid per sq. ft. to the FY 2003 level is estimated to be \$51,174 in FY04 (\$276,562 - \$225,388) and \$62,258 in FY05 (\$287,646 - \$225,388.)
9. This bill is included in the Executive Budget for the Department of Revenue, Program 08 – Compliance, Valuation and Resolution, Decision Package 8002, so the expenditures have already been reduced and the revenue added to the general fund balance.

Fiscal Note Request HB0219, As Introduced
(continued)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The amount of potential rent local governments receive from the department will be reduced by \$51,174 in FY 2004 and \$62,258 in FY 2005.